

[~117H7871]

.....
(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to repeal fossil fuel subsidies for oil companies, to establish gas price rebates to individuals for 2022, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CASTEN introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to repeal fossil fuel subsidies for oil companies, to establish gas price rebates to individuals for 2022, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “People Over Petroleum
5 Act”.

1 **SEC. 2. AMORTIZATION OF GEOLOGICAL AND GEO-**
2 **PHYSICAL EXPENDITURES.**

3 (a) IN GENERAL.—Section 167(h) of the Internal
4 Revenue Code of 1986 is amended—

5 (1) by striking “24-month period” in paragraph

6 (1) and inserting “7-year period”, and

7 (2) by striking paragraph (5).

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to amounts paid or incurred in tax-
10 able years beginning after December 31, 2022.

11 **SEC. 3. PRODUCING OIL AND GAS FROM MARGINAL WELLS.**

12 (a) IN GENERAL.—Subpart D of part IV of sub-
13 chapter A of chapter 1 of the Internal Revenue Code of
14 1986 is amended by striking section 45I (and by striking
15 the item relating to such section in the table of sections
16 for such subpart).

17 (b) CONFORMING AMENDMENT.—Section 38(b) of
18 such Code is amended by striking paragraph (19).

19 (c) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall apply to credits determined for taxable
21 years beginning after December 31, 2022.

22 **SEC. 4. ENHANCED OIL RECOVERY CREDIT.**

23 (a) IN GENERAL.—Subpart D of part IV of sub-
24 chapter A of chapter 1 of the Internal Revenue Code of
25 1986 is amended by striking section 43 (and by striking

1 the item relating to such section in the table of sections
2 for such subpart).

3 (b) CONFORMING AMENDMENT.—Section 38(b) of
4 such Code is amended by striking paragraph (6).

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to amounts paid or incurred in tax-
7 able years beginning after December 31, 2022.

8 **SEC. 5. INTANGIBLE DRILLING AND DEVELOPMENT COSTS**
9 **IN THE CASE OF OIL AND GAS WELLS.**

10 (a) IN GENERAL.—Section 263(c) of the Internal
11 Revenue Code of 1986 is amended by adding at the end
12 the following new sentence: “This subsection shall not
13 apply to amounts paid or incurred by a taxpayer with re-
14 spect to an oil or gas well after **【December 31, 2022】**.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to amounts paid or incurred in tax-
17 able years beginning after December 31, 2022.

18 **SEC. 6. REPEAL OF PERCENTAGE DEPLETION FOR OIL AND**
19 **GAS WELLS.**

20 (a) IN GENERAL.—Part I of subchapter I of chapter
21 1 of the Internal Revenue Code of 1986 is amended by
22 striking section 613A (and the table of sections of such
23 part is amended by striking the item relating to such sec-
24 tion).

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 45H(d) of such Code is amended—

2 (A) by striking “For purposes of this sec-
3 tion” and inserting the following:

4 “(1) IN GENERAL.—For purposes of this sec-
5 tion”,

6 (B) by striking “(within the meaning of
7 section 613A(d)(3))”, and

8 (C) by adding at the end the following new
9 paragraph:

10 “(2) RELATED PERSON.—For purposes of this
11 subsection, a person is a related person with respect
12 to the taxpayer if a significant ownership interest in
13 either the taxpayer or such person is held by the
14 other, or if a third person has a significant owner-
15 ship interest in both the taxpayer and such person.
16 For purposes of the preceding sentence, the term
17 ‘significant ownership interest’ means—

18 “(A) with respect to any corporation, 5
19 percent or more in value of the outstanding
20 stock of such corporation,

21 “(B) with respect to a partnership, 5 per-
22 cent or more interest in the profits or capital of
23 such partnership, and

1 “(C) with respect to an estate or trust, 5
2 percent or more of the beneficial interests in
3 such estate or trust.

4 For purposes of determining a significant ownership
5 interest, an interest owned by or for a corporation,
6 partnership, trust, or estate shall be considered as
7 owned directly both by itself and proportionately by
8 its shareholders, partners, or beneficiaries, as the
9 case may be.”.

10 (2) Section 57(a)(1) of such Code is amended
11 by striking the last sentence.

12 (3) Section 291(b)(4) of such Code is amended
13 by adding at the end the following: “Any reference
14 in the preceding sentence to section 613A shall be
15 treated as a reference to such section as in effect
16 prior to the date of the enactment of the People
17 Over Petroleum Act.”.

18 (4) Section 613(d) of such Code is amended by
19 striking “Except as provided in section 613A, in the
20 case of” and inserting “In the case of”.

21 (5) Section 613(e) of such Code is amended—

22 (A) by striking “or section 613A” in para-
23 graph (2), and

24 (B) by striking “any amount described in
25 section 613A(d)(5)” in paragraph (3) and in-

1 serting “any lease bonus, advance royalty, or
2 other amount payable without regard to produc-
3 tion from property”.

4 (6) Section 705(a) of such Code is amended—

5 (A) by inserting “and” at the end of para-
6 graph (1)(C),

7 (B) by striking “; and” at the end of para-
8 graph (2)(B) and inserting a period, and

9 (C) by striking paragraph (3).

10 (7) Section 993(c)(2)(C) of such Code is
11 amended by striking “section 613 or 613A” and in-
12 serting “section 613 (determined without regard to
13 subsection (d) thereof)”.

14 (8) Section 1202(e)(3)(D) of such Code is
15 amended by striking “section 613 or 613A” and in-
16 serting “section 613 (determined without regard to
17 subsection (d) thereof)”.

18 (9) Section 1367(a)(2) of such Code is amended
19 by inserting “and” at the end of subparagraph (C),
20 by striking “, and” at the end of subparagraph (D)
21 and inserting a period, and by striking subparagraph
22 (E).

23 (10) Section 1446(c) of such Code is amended
24 by striking paragraph (2) and by redesignating
25 paragraph (3) as paragraph (2).

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to property placed in service after
3 December 31, 2022.

4 **SEC. 7. REPEAL OF DEDUCTION FOR TERTIARY**
5 **INJECTANTS.**

6 (a) IN GENERAL.—Part VI of subchapter B of chap-
7 ter 1 of the Internal Revenue Code of 1986 is amended
8 by striking section 193 (and the table of sections of such
9 subpart is amended by striking the item relating to such
10 section).

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2022.

14 **SEC. 8. REPEAL OF EXCEPTION TO PASSIVE LOSS LIMITA-**
15 **TIONS FOR WORKING INTERESTS IN OIL AND**
16 **GAS PROPERTIES.**

17 (a) IN GENERAL.—Section 469(c)(3) of the Internal
18 Revenue Code of 1986 is amended by adding at the end
19 the following new subparagraph:

20 “(C) TERMINATION.—Subparagraph (A)
21 shall not apply with respect to any taxable year
22 beginning after the date of the enactment of
23 this Act.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2022.

4 **SEC. 9. DEDUCTION FOR QUALIFIED BUSINESS INCOME**
5 **NOT ALLOWED WITH RESPECT TO OIL AND**
6 **GAS ACTIVITIES.**

7 (a) IN GENERAL.—Section 199A(c)(3)(B) of the In-
8 ternal Revenue Code of 1986 is amended by redesignating
9 clause (vii) as clause (viii), and by inserting after clause
10 (vi) the following new clause:

11 “(vii) The production, refining, proc-
12 essing, transportation, or distribution of
13 oil, gas, or any primary product thereof.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to taxable years beginning after
16 December 31, 2022.

17 **SEC. 10. PROHIBITION ON USING LAST-IN, FIRST-OUT AC-**
18 **COUNTING FOR OIL AND GAS COMPANIES.**

19 (a) IN GENERAL.—Section 472 of the Internal Rev-
20 enue Code of 1986 is amended by adding at the end the
21 following new subsection:

22 “(h) OIL AND GAS COMPANIES.—

23 “(1) IN GENERAL.—Notwithstanding any other
24 provision of this section, a major integrated oil com-

1 pany may not use the method provided in subsection
2 (b) in inventorying of any goods.

3 “(2) MAJOR INTEGRATED OIL COMPANY.—For
4 purposes of this subsection, the term ‘major inte-
5 grated oil company’ means, with respect to any tax-
6 able year, a producer of crude oil—

7 “(A) which has an average daily worldwide
8 production of crude oil of at least 500,000 bar-
9 rels for the taxable year,

10 “(B) which has gross receipts in excess of
11 \$1,000,000,000 for the taxable year, and

12 “(C) the average daily refinery runs of the
13 taxpayer and related persons for the taxable
14 year exceed 75,000 barrels.

15 “(3) SPECIAL RULES.—

16 “(A) CRUDE PRODUCTION AND GROSS RE-
17 CEIPTS.—For purposes of subparagraphs (A)
18 and (B) of paragraph (2)—

19 “(i) CONTROLLED GROUPS AND COM-
20 MON CONTROL.—All persons treated as a
21 single employer under subsections (a) and
22 (b) of section 52 shall be treated as 1 per-
23 son.

1 “(ii) SHORT TAXABLE YEARS.—In
2 case of a short taxable year, the rule under
3 section 448(c)(3)(B) shall apply.

4 “(B) AVERAGE DAILY REFINERY RUNS.—
5 For purposes of paragraph (2)(C)—

6 “(i) IN GENERAL.—The average daily
7 refinery runs for any taxable year shall be
8 determined by dividing the aggregate refin-
9 ery runs for the taxable year by the num-
10 ber of days in the taxable year.

11 “(ii) RELATED PERSONS.—A person
12 is a related person with respect to the tax-
13 payer if a significant ownership interest in
14 either the taxpayer or such person is held
15 by the other, or if a third person has a sig-
16 nificant ownership interest in both the tax-
17 payer and such person.

18 “(iii) SIGNIFICANT OWNERSHIP IN-
19 TEREST.—For purposes of clause (ii), the
20 term ‘significant ownership interest’
21 means—

22 “(I) with respect to any corpora-
23 tion, 15 percent or more in value of
24 the outstanding stock of such corpora-
25 tion,

1 “(II) with respect to a partner-
2 ship, 15 percent or more interest in
3 the profits or capital of such partner-
4 ship, and

5 “(III) with respect to an estate
6 or trust, 15 percent or more of the
7 beneficial interests in such estate or
8 trust.

9 For purposes of determining a significant
10 ownership interest, an interest owned by or
11 for a corporation, partnership, trust, or es-
12 tate shall be considered as owned directly
13 both by itself and proportionately by its
14 shareholders, partners, or beneficiaries, as
15 the case may be.”.

16 (b) EFFECTIVE DATE AND SPECIAL RULE.—

17 (1) IN GENERAL.—The amendment made by
18 subsection (a) shall apply to taxable years beginning
19 after December 31, 2022.

20 (2) CHANGE IN METHOD OF ACCOUNTING.—In
21 the case of any taxpayer required by the amendment
22 made by this section to change its method of ac-
23 counting for its first taxable year beginning after the
24 date of the enactment of this Act—

1 (A) such change shall be treated as initi-
2 ated by the taxpayer,

3 (B) such change shall be treated as made
4 with the consent of the Secretary of the Treas-
5 ury, and

6 (C) the net amount of the adjustments re-
7 quired to be taken into account by the taxpayer
8 under section 481 of the Internal Revenue Code
9 of 1986 shall be taken into account ratably over
10 a period (not greater than 8 taxable years) be-
11 ginning with such first taxable year.

12 **SEC. 11. MODIFICATIONS OF FOREIGN TAX CREDIT RULES**

13 **APPLICABLE TO DUAL CAPACITY TAXPAYERS.**

14 (a) IN GENERAL.—Section 901 of the Internal Rev-
15 enue Code of 1986 is amended by redesignating subsection
16 (n) as subsection (o) and by inserting after subsection (m)
17 the following new subsection:

18 “(n) SPECIAL RULES RELATING TO DUAL CAPACITY
19 TAXPAYERS.—

20 “(1) GENERAL RULE.—Notwithstanding any
21 other provision of this chapter, any amount paid or
22 accrued by a dual capacity taxpayer to a foreign
23 country or possession of the United States for any
24 period with respect to combined foreign oil and gas
25 income (as defined in section 907(b)(1)) shall not be

1 considered a tax to the extent such amount exceeds
2 the amount (determined in accordance with regula-
3 tions) which would have been required to be paid if
4 the taxpayer were not a dual capacity taxpayer.

5 “(2) DUAL CAPACITY TAXPAYER.—For pur-
6 poses of this subsection, the term ‘dual capacity tax-
7 payer’ means, with respect to any foreign country or
8 possession of the United States, a person who—

9 “(A) is subject to a levy of such country or
10 possession, and

11 “(B) receives (or will receive) directly or
12 indirectly a specific economic benefit (as deter-
13 mined in accordance with regulations) from
14 such country or possession.”.

15 (b) EFFECTIVE DATE.—

16 (1) IN GENERAL.—The amendments made by
17 this section shall apply to taxes paid or accrued in
18 taxable years beginning after December 31, 2022.

19 (2) CONTRARY TREATY OBLIGATIONS
20 UPHELD.—The amendments made by this section
21 shall not apply to the extent contrary to any treaty
22 obligation of the United States.

1 **SEC. 12. CLARIFICATION OF TAR SANDS AS CRUDE OIL FOR**
2 **EXCISE TAX PURPOSES.**

3 (a) IN GENERAL.—Section 4612(a)(1) of the Internal
4 Revenue Code of 1986 is amended to read as follows:

5 “(1) CRUDE OIL.—The term ‘crude oil’ includes
6 crude oil condensates, natural gasoline, any bitumen
7 or bituminous mixture, any oil derived from a bitu-
8 men or bituminous mixture (including oil derived
9 from tar sands), and any oil derived from kerogen-
10 bearing sources (including oil derived from oil
11 shale).”.

12 (b) REGULATORY AUTHORITY TO ADDRESS OTHER
13 TYPES OF CRUDE OIL AND PETROLEUM PRODUCTS.—
14 Section 4612(a) of such Code is amended by adding at
15 the end the following new paragraph:

16 “(10) REGULATORY AUTHORITY TO ADDRESS
17 OTHER TYPES OF CRUDE OIL AND PETROLEUM
18 PRODUCTS.—Under such regulations as the Sec-
19 retary may prescribe, the Secretary may include as
20 crude oil or as a petroleum product subject to tax
21 under section 4611, any fuel feedstock or finished
22 fuel product customarily transported by pipeline,
23 vessel, railcar, or tanker truck if the Secretary deter-
24 mines that—

25 “(A) the classification of such fuel feed-
26 stock or finished fuel product is consistent with

1 the definition of oil under the Oil Pollution Act
2 of 1990, and

3 “(B) such fuel feedstock or finished fuel
4 product is produced in sufficient commercial
5 quantities as to pose a significant risk of haz-
6 ard in the event of a discharge.”.

7 (c) TECHNICAL AMENDMENT.—Section 4612(a)(2)
8 of such Code is amended by striking “from a well located”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall take effect on the date of the enactment
11 of this Act.

12 **SEC. 13. 2022 GAS PRICES REBATE.**

13 (a) IN GENERAL.—Subchapter B of chapter 65 of the
14 Internal Revenue Code of 1986 is amended by inserting
15 after section 6428B the following new section:

16 **“SEC. 6428C. 2022 GAS PRICES REBATE.**

17 “(a) IN GENERAL.—In the case of an eligible indi-
18 vidual, there shall be allowed as a credit against the tax
19 imposed by subtitle A for the first taxable year beginning
20 in 2022 an amount equal to the 2022 gas prices rebate
21 amount determined for such taxable year.

22 “(b) 2022 GAS PRICES REBATE AMOUNT.—For pur-
23 poses of this section, the term ‘2022 gas prices rebate
24 amount’ means, with respect to any taxpayer for any tax-
25 able year, the sum of—

1 “(1) \$500 (\$1,000 in the case of a joint re-
2 turn), plus

3 “(2) \$500 multiplied by the number of depend-
4 ents of the taxpayer for such taxable year who had
5 attained the age of 16 as of the close of such taxable
6 year.

7 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
8 section, the term ‘eligible individual’ means any individual
9 other than—

10 “(1) any nonresident alien individual,

11 “(2) any individual who is a dependent of an-
12 other taxpayer for a taxable year beginning in the
13 calendar year in which the individual’s taxable year
14 begins, and

15 “(3) an estate or trust.

16 “(d) DEFINITIONS AND SPECIAL RULES.—

17 “(1) DEPENDENT DEFINED.—For purposes of
18 this section, the term ‘dependent’ has the meaning
19 given such term by section 152.

20 “(2) IDENTIFICATION NUMBER REQUIRE-
21 MENT.—

22 “(A) IN GENERAL.—In the case of a re-
23 turn other than a joint return, the \$500
24 amount in subsection (b)(1) shall be treated as
25 being zero unless the taxpayer includes the

1 valid identification number of the taxpayer on
2 the return of tax for the taxable year.

3 “(B) JOINT RETURNS.—In the case of a
4 joint return, the \$1,000 amount in subsection
5 (b)(1) shall be treated as being—

6 “(i) \$500 if the valid identification
7 number of only 1 spouse is included on the
8 return of tax for the taxable year, and

9 “(ii) zero if the valid identification
10 number of neither spouse is so included.

11 “(C) DEPENDENTS.—A dependent shall
12 not be taken into account under subsection
13 (b)(2) unless the valid identification number of
14 such dependent is included on the return of tax
15 for the taxable year.

16 “(D) VALID IDENTIFICATION NUMBER.—

17 “(i) IN GENERAL.—For purposes of
18 this paragraph, the term ‘valid identifica-
19 tion number’ means a social security num-
20 ber issued to an individual by the Social
21 Security Administration on or before the
22 due date for filing the return for the tax-
23 able year.

24 “(ii) ADOPTION TAXPAYER IDENTI-
25 FICATION NUMBER.—For purposes of sub-

1 paragraph (C), in the case of a dependent
2 who is adopted or placed for adoption, the
3 term ‘valid identification number’ shall in-
4 clude the adoption taxpayer identification
5 number of such dependent.

6 “(E) SPECIAL RULE FOR MEMBERS OF
7 THE ARMED FORCES.—Subparagraph (B) shall
8 not apply in the case where at least 1 spouse
9 was a member of the Armed Forces of the
10 United States at any time during the taxable
11 year and the valid identification number of at
12 least 1 spouse is included on the return of tax
13 for the taxable year.

14 “(F) COORDINATION WITH CERTAIN AD-
15 VANCE PAYMENTS.—In the case of any payment
16 determined pursuant to subsection (f)(6), a
17 valid identification number shall be treated for
18 purposes of this paragraph as included on the
19 taxpayer’s return of tax if such valid identifica-
20 tion number is available to the Secretary as de-
21 scribed in such subsection.

22 “(G) MATHEMATICAL OR CLERICAL ERROR
23 AUTHORITY.—Any omission of a correct valid
24 identification number required under this para-
25 graph shall be treated as a mathematical or

1 clerical error for purposes of applying section
2 6213(g)(2) to such omission.

3 “(3) CREDIT TREATED AS REFUNDABLE.—The
4 credit allowed by subsection (a) shall be treated as
5 allowed by subpart C of part IV of subchapter A of
6 chapter 1.

7 “(e) COORDINATION WITH ADVANCE REFUNDS OF
8 CREDIT.—

9 “(1) REDUCTION OF REFUNDABLE CREDIT.—
10 The amount of the credit which would (but for this
11 paragraph) be allowable under subsection (a) shall
12 be reduced (but not below zero) by the aggregate re-
13 funds and credits made or allowed to the taxpayer
14 (or, except as otherwise provided by the Secretary,
15 any dependent of the taxpayer) under subsection (f).
16 Any failure to so reduce the credit shall be treated
17 as arising out of a mathematical or clerical error
18 and assessed according to section 6213(b)(1).

19 “(2) JOINT RETURNS.—Except as otherwise
20 provided by the Secretary, in the case of a refund
21 or credit made or allowed under subsection (f) with
22 respect to a joint return, half of such refund or cred-
23 it shall be treated as having been made or allowed
24 to each individual filing such return.

25 “(f) ADVANCE REFUNDS AND CREDITS.—

1 “(1) IN GENERAL.—Subject to paragraphs (5)
2 and (6), each individual who was an eligible indi-
3 vidual for such individual’s first taxable year begin-
4 ning in 2020 shall be treated as having made a pay-
5 ment against the tax imposed by chapter 1 for such
6 taxable year in an amount equal to the advance re-
7 fund amount for such taxable year.

8 “(2) ADVANCE REFUND AMOUNT.—

9 “(A) IN GENERAL.—For purposes of para-
10 graph (1), the advance refund amount is the
11 amount that would have been allowed as a cred-
12 it under this section for such taxable year if
13 this section (other than subsection (e) and this
14 subsection) had applied to such taxable year.

15 “(B) TREATMENT OF DECEASED INDIVID-
16 UALS.—For purposes of determining the ad-
17 vance refund amount with respect to such tax-
18 able year—

19 “(i) any individual who was deceased
20 before January 1, 2022, shall be treated
21 for purposes of applying subsection (e)(2)
22 in the same manner as if the valid identi-
23 fication number of such person was not in-
24 cluded on the return of tax for such tax-

1 able year (except that subparagraph (E)
2 thereof shall not apply),

3 “(ii) notwithstanding clause (i), in the
4 case of a joint return with respect to which
5 only spouse is deceased before January 1,
6 2022, such deceased spouse was a member
7 of the Armed Forces of the United States
8 at any time during the taxable year, and
9 the valid identification number of such de-
10 ceased spouse is included on the return of
11 tax for the taxable year, the valid identi-
12 fication number of 1 (and only 1) spouse
13 shall be treated as included on the return
14 of tax for the taxable year for purposes of
15 applying subsection (e)(2)(B) with respect
16 to such joint return, and

17 “(iii) no amount shall be determined
18 under subsection (d)(2) with respect to any
19 dependent of the taxpayer if the taxpayer
20 (both spouses in the case of a joint return)
21 was deceased before January 1, 2022.

22 “(3) TIMING AND MANNER OF PAYMENTS.—
23 The Secretary shall, subject to the provisions of this
24 title and consistent with rules similar to the rules of
25 subparagraphs (B) and (C) of section 6428A(f)(3),

1 refund or credit any overpayment attributable to this
2 subsection as rapidly as possible, consistent with a
3 rapid effort to make payments attributable to such
4 overpayments electronically if appropriate. No re-
5 fund or credit shall be made or allowed under this
6 subsection after December 31, 2022.

7 “(4) NO INTEREST.—No interest shall be al-
8 lowed on any overpayment attributable to this sub-
9 section.

10 “(5) APPLICATION TO INDIVIDUALS WHO HAVE
11 FILED A RETURN OF TAX FOR 2021.—

12 “(A) APPLICATION TO 2021 RETURNS
13 FILED AT TIME OF INITIAL DETERMINATION.—
14 If, at the time of any determination made pur-
15 suant to paragraph (3), the individual referred
16 to in paragraph (1) has filed a return of tax for
17 the individual’s first taxable year beginning in
18 2021, paragraph (1) shall be applied with re-
19 spect to such individual by substituting ‘2021’
20 for ‘2020’.

21 “(B) ADDITIONAL PAYMENT.—

22 “(i) IN GENERAL.—In the case of any
23 individual who files, before the additional
24 payment determination date, a return of
25 tax for such individual’s first taxable year

1 beginning in 2021, the Secretary shall
2 make a payment (in addition to any pay-
3 ment made under paragraph (1)) to such
4 individual equal to the excess (if any) of—

5 “(I) the amount which would be
6 determined under paragraph (1)
7 (after the application of subparagraph
8 (A)) by applying paragraph (1) as of
9 the additional payment determination
10 date, over

11 “(II) the amount of any payment
12 made with respect to such individual
13 under paragraph (1).

14 “(ii) ADDITIONAL PAYMENT DETER-
15 MINATION DATE.—The term ‘additional
16 payment determination date’ means the
17 earlier of—

18 “(I) the date which is 90 days
19 after the 2021 calendar year filing
20 deadline, or

21 “(II) September 1, 2022.

22 “(iii) 2021 CALENDAR YEAR FILING
23 DEADLINE.—The term ‘2021 calendar year
24 filing deadline’ means the date specified in
25 section 6072(a) with respect to returns for

1 calendar year 2021. Such date shall be de-
2 termined after taking into account any pe-
3 riod disregarded under section 7508A if
4 such disregard applies to substantially all
5 returns for calendar year 2021 to which
6 section 6072(a) applies.

7 “(6) APPLICATION TO CERTAIN INDIVIDUALS
8 WHO HAVE NOT FILED A RETURN OF TAX FOR 2020
9 OR 2021 AT TIME OF DETERMINATION.—In the case
10 of any individual who, at the time of any determina-
11 tion made pursuant to paragraph (3), has filed a tax
12 return for neither the year described in paragraph
13 (1) nor for the year described in paragraph (5)(A),
14 the Secretary shall, consistent with rules similar to
15 the rules of section 6428A(f)(5)(H)(i), apply para-
16 graph (1) on the basis of information available to
17 the Secretary and shall, on the basis of such infor-
18 mation, determine the advance refund amount with
19 respect to such individual.

20 “(7) SPECIAL RULE RELATED TO TIME OF FIL-
21 ING RETURN.—Solely for purposes of this sub-
22 section, a return of tax shall not be treated as filed
23 until such return has been processed by the Internal
24 Revenue Service.

1 “(8) RESTRICTION ON USE OF CERTAIN PRE-
2 VIOUSLY ISSUED PREPAID DEBIT CARDS.—Payments
3 made by the Secretary to individuals under this sec-
4 tion shall not be in the form of an increase in the
5 balance of any previously issued prepaid debit card
6 if, as of the time of the issuance of such card, such
7 card was issued solely for purposes of making pay-
8 ments under section 6428, 6428A, or 6428B.

9 “(g) REGULATIONS.—The Secretary shall prescribe
10 such regulations or other guidance as may be necessary
11 or appropriate to carry out the purposes of this section,
12 including—

13 “(1) regulations or other guidance providing
14 taxpayers the opportunity to provide the Secretary
15 information sufficient to allow the Secretary to make
16 payments to such taxpayers under subsection (f) (in-
17 cluding the determination of the amount of such
18 payment) if such information is not otherwise avail-
19 able to the Secretary, and

20 “(2) regulations or other guidance to ensure to
21 the maximum extent administratively practicable
22 that, in determining the amount of any credit under
23 subsection (a) and any credit or refund under sub-
24 section (f), an individual is not taken into account
25 more than once, including by different taxpayers and

1 including by reason of a change in joint return sta-
2 tus or dependent status between the taxable year for
3 which an advance refund amount is determined and
4 the taxable year for which a credit under subsection
5 (a) is determined.

6 “(h) OUTREACH.—The Secretary shall carry out a
7 robust and comprehensive outreach program to ensure
8 that all taxpayers described in subsection (g)(1) learn of
9 their eligibility for the advance refunds and credits under
10 subsection (f); are advised of the opportunity to receive
11 such advance refunds and credits as provided under sub-
12 section (g)(1); and are provided assistance in applying for
13 such advance refunds and credits.”.

14 (b) TREATMENT OF CERTAIN POSSESSIONS.—

15 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
16 CODE TAX SYSTEMS.—The Secretary of the Treas-
17 ury shall pay to each possession of the United States
18 which has a mirror code tax system amounts equal
19 to the loss (if any) to that possession by reason of
20 the amendments made by this section. Such
21 amounts shall be determined by the Secretary of the
22 Treasury based on information provided by the gov-
23 ernment of the respective possession.

24 (2) PAYMENTS TO OTHER POSSESSIONS.—The
25 Secretary of the Treasury shall pay to each posses-

1 sion of the United States which does not have a mir-
2 ror code tax system amounts estimated by the Sec-
3 retary of the Treasury as being equal to the aggre-
4 gate benefits (if any) that would have been provided
5 to residents of such possession by reason of the
6 amendments made by this section if a mirror code
7 tax system had been in effect in such possession.
8 The preceding sentence shall not apply unless the re-
9 spective possession has a plan, which has been ap-
10 proved by the Secretary of the Treasury, under
11 which such possession will promptly distribute such
12 payments to its residents.

13 (3) INCLUSION OF ADMINISTRATIVE EX-
14 PENSES.—The Secretary of the Treasury shall pay
15 to each possession of the United States to which the
16 Secretary makes a payment under paragraph (1) or
17 (2) an amount equal to the lesser of—

18 (A) the increase (if any) of the administra-
19 tive expenses of such possession—

20 (i) in the case of a possession de-
21 scribed in paragraph (1), by reason of the
22 amendments made by this section, and

23 (ii) in the case of a possession de-
24 scribed in paragraph (2), by reason of car-

1 rying out the plan described in such para-
2 graph, or

3 (B) \$500,000 (\$10,000,000 in the case of
4 Puerto Rico).

5 The amount described in subparagraph (A) shall be
6 determined by the Secretary of the Treasury based
7 on information provided by the government of the
8 respective possession.

9 (4) COORDINATION WITH CREDIT ALLOWED
10 AGAINST UNITED STATES INCOME TAXES.—No cred-
11 it shall be allowed against United States income
12 taxes under section 6428C of the Internal Revenue
13 Code of 1986 (as added by this section), nor shall
14 any credit or refund be made or allowed under sub-
15 section (f) of such section, to any person—

16 (A) to whom a credit is allowed against
17 taxes imposed by the possession by reason of
18 the amendments made by this section, or

19 (B) who is eligible for a payment under a
20 plan described in paragraph (2).

21 (5) MIRROR CODE TAX SYSTEM.—For purposes
22 of this subsection, the term “mirror code tax sys-
23 tem” means, with respect to any possession of the
24 United States, the income tax system of such posses-
25 sion if the income tax liability of the residents of

1 such possession under such system is determined by
2 reference to the income tax laws of the United
3 States as if such possession were the United States.

4 (6) TREATMENT OF PAYMENTS.—For purposes
5 of section 1324 of title 31, United States Code, the
6 payments under this subsection shall be treated in
7 the same manner as a refund due from a credit pro-
8 vision referred to in subsection (b)(2) of such sec-
9 tion.

10 (c) ADMINISTRATIVE PROVISIONS.—

11 (1) DEFINITION OF DEFICIENCY.—Section
12 6211(b)(4)(A) of the Internal Revenue Code of 1986
13 is amended by inserting “6428C,” after “6428B,”.

14 (2) EXCEPTION FROM REDUCTION OR OFF-
15 SET.—Any refund payable by reason of section
16 6428C(f) of the Internal Revenue Code of 1986 (as
17 added by this section), or any such refund payable
18 by reason of subsection (b) of this section, shall not
19 be—

20 (A) subject to reduction or offset pursuant
21 to subsection (c), (d), (e), or (f) of section 6402
22 of the Internal Revenue Code of 1986 or any
23 similar authority permitting offset, or

1 (B) reduced or offset by other assessed
2 Federal taxes that would otherwise be subject
3 to levy or collection.

4 (3) CONFORMING AMENDMENTS.—

5 (A) Section 1324(b)(2) of title 31, United
6 States Code, is amended by inserting “6428C,”
7 after “6428B,”.

8 (B) The table of sections for subchapter B
9 of chapter 65 of the Internal Revenue Code of
10 1986 is amended by inserting after the item re-
11 lating to section 6428A the following new item:

“Sec. 6428C. 2022 gas prices rebate.”.